

Preface

During its 1999 session, the Maryland General Assembly passed House Bill 995, entitled Health Care Regulatory Reform-Commission Consolidation (Chapter 702, Annotated Code of Maryland). Under this legislation, the duties and responsibilities of the Health Care Access and Cost Commission and the Health Resources Planning Commission were consolidated and streamlined under the new Maryland Health Care Commission. The uncodified language in Section 11 of HB 995, as enacted, required the Maryland Health Care Commission to develop priorities, a work plan, and a process for reviewing major policy issues related to the Certificate of Need (CON) process during calendar years 2000 and 2001. To address this requirement of HB 995, the Commission submitted a report to the General Assembly on January 1, 2000 providing a detailed work plan for examining the CON process in Maryland.¹

The CON study work plan submitted to the General Assembly outlined specific services for in-depth study over the two-year period, 2000-2001. During the initial year of the study, the study examined policy issues related to Certificate of Need oversight of the following health care services:

- Cardiac Surgery Services
- Acute Inpatient Obstetric Services
- Home Health Agency Services
- Hospice Services
- Nursing Home Services

During calendar year 2001, the study examined Certificate of Need regulation of the following remaining health services:

- Acute Inpatient Services (Medical-Surgical and Pediatrics)
- Specialized Health Care Services (Organ Transplant, NICU, and Burn Care)
- Rehabilitation and Chronic Hospital Services
- Ambulatory Surgery Services
- Adult Inpatient Psychiatric Services
- Child and Adolescent Inpatient Psychiatric Services
and Residential Treatment Centers
- Intermediate Care Facilities for Alcohol and Drug Abuse Treatment
- Intermediate Care Facilities for the Developmentally Disabled

During each of the two years established for the study of the CON program, the Commission periodically released working papers on each regulated health care service, which provided background information, discussed the entire framework for government oversight of the service in Maryland, and outlined a series of alternative regulatory options for continuing State oversight of proposals to establish new bed or service capacity, and to leave the market.

¹ Maryland Health Care Commission, *Reports Required Under Section 11 of House Bill 995 (1999)-Health Care Regulatory Reform-Commission Consolidation*, Part II, Work Plan for Examining the Certificate of Need Process: Preliminary Report, January 1, 2000.

Each paper included information on how other states regulate the service under discussion, whether through Certificate of Need – as do thirty-six states and the District of Columbia – or through some other mechanism. A thirty-day initial public comment period followed the release of each paper; Commission staff summarized and analyzed the public comment received on each paper, and presented this document to the Commission, along with copies of the letters submitted and a proposed recommendation for the General Assembly. This document was in turn released for additional public response, which was then presented to the Commission before it took action on each recommendation.

This final report on Phase II of the Commission’s study of the Certificate of Need program includes the eight reports and the recommendations on each health care service, developed through this comprehensive and participatory process. *An Analysis and Evaluation of Certificate of Need Regulation in Maryland*, the final report on Phase I of the study, was presented to the General Assembly in January, 2001. This report is available in hard copy by contacting the Commission at (410) 764-3460 [or toll-free, 1 (877) 245-1762], or from the Commission’s website, at **www.mhcc.state.md.us**.